**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**BUDGET COMMITTEE**

**APRIL 7, 2014**

**TOWN COUNCIL CHAMBERS**

MEMBERS PRESENT: Chair Amy Thompson,(voted during the meeting), Vice Chair David Foltz,(voted during the meeting), Russ Simon, Drew Kiefaber, “Blue” Foster, Michael Lang, Meg Louney Moore, Mickey Burns, Craig Dionne, Town Council Rep Dale Pike

ALSO PRESENT: Town Administrator Steve Fournier

Vice Chair Thompson opened the meeting at 6:30, followed by the Pledge of Allegiance. She stated that they were just informed that the School Board Rep would be Mary Jane Hilton, but it was unclear as to whether or not she had been advised of this meeting. She welcomed the new Committee members, and asked that all Committee members state their names. She thanked past Committee members Ellen Snyder, Dana Glennon and Judy Ryan for their service.

**OLD BUSINESS**

Mr. Kiefaber moved to approve the minutes of the January 27th meeting. Mr. Lang seconded. Mr. Simon said he did not recall saying, “He had thought that the 10% applied only to the Articles recommended by the Budget Committee, and the $45M Bond, which was not recommended by the Budget Committee, would be removed from the budget before the Deliberative Session.” This would be verified by replaying the meeting tape. Either a correction would be made to the January 27th minutes, or the minutes of this meeting would reflect the request for a correction. Vice Chair Thompson explained to the new members that minutes reflect what was actually said at a meeting. Motion to approve the minutes passed 6 – 0 – 4, with Ms. Louney, Mr. Burns, Mr. Dionne and Council Rep Pike abstaining as the meeting occurred prior to their being Committee members.

**NEW BUSINESS**

**Election of Chair and Vice Chair**

Mr. Simon nominated Vice Chair Thompson as Chair. Mr. Lang seconded. There were no further nominations. Motion passed unanimously, 10 – 0.

Mr. Kiefaber nominated Mr. Foltz as Vice Chair. Chair Thompson seconded. There were no further nominations. Motion passed unanimously, 10 – 0.

**Appointment of CIP Rep and Alternate**

The CIP Committee usually had about 3 - 4 meetings in late summer/early fall and tended to meet at about 3:00 p.m. It was suggested that perhaps the meetings could be scheduled later in the day. Mr. Simon agreed to serve as Budget Committee Rep and Mr. Lang agreed to serve as alternate. Mr. Foster moved to approve Mr. Simon as Budget Committee Rep and Mr. Lang as alternate. Motion carried unanimously, 10 – 0.

**Budget Committee Role and Responsibilities**

The Budget Committee has fiscal responsibility for the Town and School budgets, and members should try to leave their personal positions aside when considering proposed budgets. Chair Thompson stated that the work of the Committee was about numbers and balance, and there would be much to consider. A new edition of NHMA’s “The Basic Law of Budgeting” was expected in September, and until then, those having copies were encouraged to share the 2013 edition with new members. Budget season ramps up in September, but the Committee will meet monthly to ensure that all are familiar with the reports and process.

Town Administrator Fournier said the process for the Town budget was set up by the Charter. The Town Council was the legislative body except for the expenditure of funds which was voted by Town Meeting. The FY2015/2016 operating budget of the Town Administrator has to be presented to the Town Council by October 15, 2014 and from there to the Budget Committee by November 15, 2014. The Budget Committee has to finish and submit the budget sometime in early January, 2015. The School operates under the School District form of government and the SB2 laws which have different deadlines. The Town and School attempt to meld schedules at the end of the process so that Deliberative sessions can be held on the same day. He said that the NHMA budgeting books cost $47 each, and the 2014 editions would be given to Committee members in September. There were usually few changes from year to year and changes were outlined on a single sheet of paper. Although there were no changes to the Budget Committee in the new Charter, there may have been a change in the makeup of the CIP Committee. The Charter also stated that the Town Council would invite the other governing body, the School Board, to an annual meeting. As the Charter only applies to the Town government, participation by the School Board could not be a mandate. The Budget Committee legally is a subcommittee of the voters, Town Meeting, and only has authority over the bottom line of the budget. While specific reductions may be suggested, it is the responsibility of the Town Administrator and Council to decide where cuts will be made. In the previous year, NHMA had presented an open budget training session in August, and Chair Thompson asked that another session be scheduled during this year, perhaps in August before budget season began.

Chair Thompson cautioned against hitting “reply all” in email correspondence as this could constitute a meeting, even though the Town Administrator was copied on emails. She also cautioned about a simple majority or quorum meeting at, say a coffee shop, and discussing Town or School business. Town Administrator Fournier added that this also applied to a group smaller than a quorum having a meeting and then relaying the discussion to another small group, or to an email which was serially forwarded to eventually include a quorum or an entire committee. Also, it was illegal to poll a committee outside of a meeting. He was planning on having the Town Attorney present a training session on the Right to Know Law for all committees in town, and hoping to schedule this for the last week in April. Inquiries by Committee members to Town staff should go first to the Chair and then through the Town Administrator, and his responses would be given to all Board members. No one Board member has more authority than another, and any requested information would be distributed to all. If a Committee member contacts another Town while doing research, the ethics of the profession require the other Town’s official to contact Town Administrator Fournier. A Committee member should first identify himself as a Budget Committee member. In speaking or communicating with the public, Committee members should realize that they cannot turn on and turn off their position. The public will identify the member by position and not as an individual. Council Rep Pike said he had made comments at a Dam Committee meeting, but had first stated that he was speaking as an individual Councilor and not with backing by the Council. Town Administrator Fournier agreed that this was an appropriate distinction.

**MEETING SCHEDULE**

Regular meetings will be held on the 4th Monday of every month, excluding holidays. Additional and substitute dates for meetings generally will be scheduled on Mondays. Figures available in September would give an idea of revenues and expenditures. It was suggested that the Committee could attend the Right to Know session and consider that the April meeting. Town Administrator will send out the exact date once arrangements are made. The May meeting was scheduled for May 19th and would cover an overview of the Town and School updated expenditures and revenues. Chair Thompson will contact the School. From November through January, especially around the holidays, schedules become tight and adjustments will be made accordingly.

**SUMMARY OF TOWN FYTD STATUS (as of February, 2014)**

Town Administrator Fournier said that 97% of estimated revenues had been collected. The main source of revenue, property taxes, was mainly collected. Motor vehicle registrations were up slightly, and building permits were 28% over budget and 8% over the same time the previous year. Planning Board and Zoning Board of Appeals fees were $11,000 over projections at $13,331 compared to $1,500 the previous year because of the new subdivision. Building permits would increase as the development got underway.

Expenditures at 67% of the total were slightly above the previous February, mostly because of the increase in snow and snow events. Related expenses for salt and sand were also above projections, and an additional $20,000 was spent on salt. As some of the suppliers were experiencing shortages, the Town had to purchase salt when it could. FEMA offset some of the expenses in the previous year because of the blizzard, but none of the current year’s storms had qualified for reimbursement. The DPW had been managing the plowing and prior to the winter, he and the Town Administrator had set up a system of shift changes to limit overtime. The other item showing higher costs was legal expenses. Although the new Town Attorney is on retainer, there were some continuing large cases with the previous Attorney, who billed hourly. Legal expenses had peaked in September when the cases were settled, and then monthly expenses dropped as they covered only the retainer. The health insurance rates for FY2015 were expected to increase by 9%, but would actually increase by 8%.

Town Administrator Fournier clarified that when he said that revenue from building permits was higher than projected, it did not mean that the Department’s expenses would be offset. The additional revenue would offset the operation of the entire town. Whereas, certain funds, such as Water and Sewer, Solid Waste and Recreation, would use additional revenues to offset their budgets. Solid Waste, as of the end of February, was slightly under with 60% of revenues collected, but was also under in expenses at 52% of projections. Recreation had spent 2/3 of its budget and the revenues were at 34%. However, the largest amount of revenue is collected in June for the July and August programs, so revenues would increase for the year. The Recreation Revolving Fund was slated to start on July 1st, so subsequent budgets would be reported differently. As far as revenue from the sale of Town owned property, the RFP for a realtor to manage the sale of a condo had not come in as hoped, so another RFP will be sent out. Revenue from the sale of property had been budgeted. A subcommittee of the Council will review other Town-owned property.

The previous year’s budget had allotted $125,000 for roads, and the current year’s proposed budget had been reduced to the same amount. Mr. Foster asked if there was a plan to repair the potholes and frost heaves, and Town Administrator Fournier said he believed the DPW Director had a plan to continue paving Ash Swamp. Pothole repair would be paid through road maintenance, but could not be done properly until warmer weather allowed asphalt plants to open. The State was responsible for repairs on Routes 108 and 152. Town Administrator Fournier said the paving budget of $125,000 was small for a town the size of Newmarket, and road maintenance was underfunded. He said that the Town did not contract out enough to do the work that needed to be done. He said he would address these concerns to the CIP Committee, as there was a need to have more funds for paving. The Senate had recently passed a gas tax increase of 7 cents, a portion of which would be returned to the towns. He was assuming that the increase would take effect on July 1st. The condition of the roads also added to the wear and tear of equipment.

Chair Thompson asked that members raise hands before speaking, and said she would try to insure that everyone had a turn to speak before anyone made a second comment. Town Administrator Fournier said he would be prepared to give an end-of-year forecast at the May meeting. He added that if he foresaw problems at that time, he could freeze the budget.

Mr. Kiefaber moved to adjourn and Mr. Foltz seconded. Motion carried unanimously and the meeting adjourned at 7:25 p.m.

Respectfully submitted,

Ellen Adlington, Recording Secretary